

INITIATIVE 251

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 251 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to government revenue by limiting the growth of
2 state tax revenue and requiring excess state tax revenue be refunded to
3 taxpayers by reducing property taxes; adding a new section to chapter
4 82.02 RCW; creating a new section; and providing an effective date.

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6 **LIMITING ANNUAL INCREASES IN TOTAL STATE TAX REVENUE TO THE**
7 **RATE OF INFLATION AND REQUIRING EXCESS STATE TAXES BE REFUNDED**
8 **TO TAXPAYERS BY REDUCING PROPERTY TAXES**

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.02 RCW
10 to read as follows:

11 (1) Starting with the level of total state tax revenue received in
12 the year 2000, annual increases in total state tax revenue shall be
13 limited to the rate of inflation and excess state tax revenue shall be
14 refunded to the taxpayers by reducing property taxes.

15 (2) For purposes of this section, "total state tax revenue" means
16 the aggregate of government revenue generated from taxes and fees at
17 the state level, including, but not necessarily limited to, sales and

1 use taxes; property taxes; business and occupation taxes; fuel taxes;
2 and other state tax and fee revenue sources.

3 (3) For purposes of this section, "total state tax revenue" does
4 not include revenue generated from college tuition; revenue from
5 unemployment insurance premiums; revenue from workers' compensation
6 premiums; revenue from Washington state health care authority insurance
7 premiums; revenue from the sale of real property or timber; revenue
8 earned by pension and investment trust funds or accounts solely for
9 plan benefits of the various state public employee retirement systems;
10 and revenues received from the federal government.

11 (4) For the purposes of this section, "rate of inflation" means the
12 percentage change in the implicit price deflator for personal
13 consumption expenditures for the United States as published for the
14 most recent twelve-month period by the bureau of economic analysis of
15 the federal department of commerce in September of the year before the
16 taxes are poolable.

17 (5) For the purposes of this section, "excess" means total state
18 tax revenues received above the limit each year as established by this
19 act.

20 (6) The legislature shall adopt legislation to refund excess state
21 tax revenue by reducing property taxes each year.

22 (7) Refunds may be reduced or eliminated by any specific emergency
23 measure authorized by vote of two-thirds of the members of each house
24 of the legislature and expiring not later than the first day of the
25 subsequent legislative session. In the event refunds are reduced or
26 eliminated as a result of such emergency, the total state tax revenue
27 limit of the subsequent year shall be the same as if there had been no
28 emergency.

29 CONSTRUCTION CLAUSE

30 NEW SECTION. **Sec. 2.** The provisions of this act are to be
31 liberally construed to effectuate the policies and purposes of this
32 act.

33 SEVERABILITY CLAUSE

34 NEW SECTION. **Sec. 3.** If any provision of this act or its
35 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 **EFFECTIVE DATE**

4 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2002.

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